MONTANA LEGISLATIVE HISTORY

Chapter 495 In 2001

Bill H 179 S _____ Original bill & history ✓ C

H. Committee on Local Gov't.		S. Committee on Local Gov't.	
Hearing Date(s) _____	___C	Hearing Date(s) _____	___C
1/23	✓C	3/1	✓C
_____	___C	_____	___C
_____	___C	3/1	✓C
Date Out _____	___C	out 3/9	✓
(no minutes available)			

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

LEGISLATIVE HISTORIES

The 1997 Montana Legislature dramatically changed the nature of legislative minutes. This altered format continues with the 1999 legislative minutes. The minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are fuller in content.

Exhibits, which include written statements, attendent information, roll call votes, roll call attendance, a list of those from the public who were present, and specific action taken on legislative bills, will be available only through the Historical Society Archives, 444-4774, and from a CD-ROM produced by the Legislative Services Division, 444-3064.

Just as in the 1997 legislative session, the 1999 House and Senate committee hearings were recorded. For information on accessing the tapes, or purchasing them, contact the Archives, 444-4774.

If you have concerns over the format of these legislative minutes, it is suggested that you contact your state legislators.

2/20 Missed Deadline for General Bill Transmittal

HB 179 Introduced by Dell *LC0725 Drafter: Petesch*

Voter Mill Levy Advisory Language

1/05	Introduced		
1/05	Fiscal Note Requested		
1/05	Referred to Local Government		
1/16	Fiscal Note Received		
1/22	Fiscal Note Printed		
1/23	Hearing		
1/27	Revised Fiscal Note Requested		
1/30	Revised Fiscal Note Received		
1/31	Fiscal Note Printed		
2/01	Committee Executive Action--Bill Passed as Amended	15	2
2/01	Committee Report--Bill Passed as Amended		
2/03	2nd Reading Passed	93	6
2/05	3rd Reading Passed	95	5
	Transmitted to Senate		
2/06	Referred to Local Government		
3/01	Hearing		
3/07	Committee Executive Action--Bill Concurred as Amended	7	1
3/07	Committee Report--Bill Concurred as Amended		
3/12	2nd Reading Concurred on Voice Vote	49	0
3/13	3rd Reading Concurred	48	2
	Returned to House with Amendments		
4/11	2nd Reading Senate Amendments Concurred	97	1
4/12	3rd Reading Passed as Amended by Senate	100	0
4/12	Sent to Enrolling		
4/17	Returned from Enrolling		
4/19	Signed by Speaker		
4/21	Signed by President		
4/23	Transmitted to Governor		
5/01	Signed by Governor		
5/01	Chapter Number Assigned		
	Chapter Number 495		
	Effective Date: 10/01/2001 - All Sections		

HB 180 Introduced by Callahan, et al. *LC0801 Drafter: Lane*

Allow Examine by Physicians Assistant-Certified or APRN of Youth under Order of Commitment

12/01	Fiscal Note Needed		
1/05	Introduced		
1/05	Fiscal Note Requested		
1/05	Referred to Human Services		
1/10	Fiscal Note Received		
1/12	Fiscal Note Printed		
1/15	Hearing		
1/16	Committee Executive Action--Bill Passed as Amended	17	C
1/16	Committee Report--Bill Passed as Amended		
1/18	2nd Reading Passed	96	3
1/19	Revised Fiscal Note Requested		
1/19	3rd Reading Passed	99	

H BILL NO. 179

INTRODUCED BY Rep. Tom Dell
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A PROCEDURE FOR A MILL LEVY ELECTION; PROVIDING FOR THE CONTENT OF A RESOLUTION PROPOSING A MILL LEVY ELECTION; REQUIRING THE RESOLUTION AND THE BALLOT FORM TO INCLUDE A STATEMENT OF THE IMPACT OF THE ELECTION ON THE AVERAGE HOMEOWNER IN THE DISTRICT IN TERMS OF ACTUAL DOLLARS IN ADDITIONAL PROPERTY TAXES THAT WOULD BE IMPOSED ON A RESIDENCE OF A STATED VALUE IF THE MILL LEVY WERE TO PASS; AMENDING SECTIONS 7-6-2314, 7-6-2328, 7-6-2512, 7-6-2531, 7-6-2534, 7-6-2536, 7-6-2537, 7-6-2541, 7-6-4238, 7-6-4272, 7-6-4431, 7-14-1134, 7-14-1633, 7-14-2504, 7-14-4404, 7-16-2102, 7-16-2109, 7-16-2411, 7-16-2412, 7-16-2432, 7-22-2142, 7-32-235, 7-34-102, 7-34-2135, 19-18-504, 20-9-353, 20-9-502, 20-15-241, 20-15-311, 22-1-304, 76-15-531, AND 90-5-112, MCA; AND REPEALING SECTION 7-6-2532, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Mill levy election.** (1) A county, consolidated government, incorporated city, incorporated town, school district, or other taxing entity that proposes to impose a mill levy or increase a mill levy that is required to be submitted to the electors shall conduct the election as provided in this section.

(2) An election conducted pursuant to this section may be held in conjunction with a regular or primary election or may be a special election. The governing body shall pass a resolution or receive a petition indicating an intent to impose a new levy or to increase a mill levy on the approval of a majority of the qualified electors voting in the election. The resolution or petition must include:

(a) the specific purpose for which the additional money will be used;

(b) the specific amount to be raised;

(c) the approximate number of mills required; and

(d) the durational limit, if any, on the levy.

(3) Notice of the election must be given as provided by law. The form of the ballot must reflect the content of the resolution and must include a statement of the impact of the election on the average

homeowner in the district in terms of actual dollars in additional property taxes that would be imposed on a residence of a stated value if the mill levy were to pass.

(4) If the majority voting on the question are in favor of the additional levy, the governing body is authorized to impose the levy in the amount specified in the resolution.

Section 2. Section 7-6-2314, MCA, is amended to read:

"**7-6-2314. Classification of estimates, appropriations, and expenditures -- exception.** (1) In the tabulation required by 7-6-2313, the estimates, appropriations, and expenditures must be classified as:

(a) salaries and wages;

(b) maintenance and operation;

(c) capital outlay;

(d) interest and debt redemption;

(e) miscellaneous; and

(f) expenditures proposed to be made from bond issues not yet authorized or from the proceeds of a tax levy or levies that are required to be submitted to and approved at an election to be held ~~later~~ as provided in [section 1].

(2) (a) Within the general class of salaries and wages, each salary must be set forth separately, together with the title or position of the recipient. An unitemized appropriation may be made to cover the expenses of special deputies or assistants in any office where the services of the special deputies or assistants may be required during a part of the fiscal year only. Wages for day labor may be given in totals by designating the general purpose or object for which the expenditure is to be made, but the proposed rate ~~per~~ each day for each class or kind of labor must be set forth.

(b) Expenditures under the general class of maintenance and operation must be classified according to a standard classification to be established by the department of commerce.

(c) Expenditures for capital outlay must set forth and describe each object of expenditure separately.

(d) Under the general class of interest and debt redemption, proposed expenditures for interest and for redemption of principal must be set forth separately for each series or issue of bonds, and warrant interest and redemption requirements must be set forth in a similar manner.

(e) Under the general class of miscellaneous, expenditures for all purposes not listed in or that

cannot properly be assigned to any of the general classes must be set forth and itemized in detail.

(3) This section does not apply to a county that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 3. Section 7-6-2328, MCA, is amended to read:

"7-6-2328. Restriction on tax-financed expenditures if voter approval of tax levy required. ~~Where~~ When any expenditure program is to be financed from a tax levy required to be authorized and approved at an election as required in [section 1], ~~no~~ an expenditure ~~shall~~ may not be made or an obligation incurred ~~thereunder~~ until ~~such~~ the levy is ~~so~~ authorized and approved."

Section 4. Section 7-6-2512, MCA, is amended to read:

"7-6-2512. County tax levy for health care facilities. (1) Subject to 15-10-420, the board of county commissioners may, annually, at the time of levying county taxes, fix and levy a tax, not to exceed 10 mills on each dollar of taxable valuation of property, upon all property within the county to erect, furnish, equip, expand, improve, maintain, and operate county-owned or county-operated health care facilities created under 7-8-2102, 7-34-2201, and 7-34-2502. "Health care facilities", as used in this section, has the meaning as defined in 7-34-2201. The combined total number of mills levied under this section and for the county poor fund under 53-2-322 may not exceed 18 mills. A higher levy may be made upon compliance with 7-6-2531 and 7-6-2533 through 7-6-2537, 15-10-420, or 53-2-322. If a hospital district is created under Title 7, chapter 34, part 21, the mill levy authorized by this section may not be imposed on property within that hospital district.

(2) If a county issues bonds under 7-34-2411 to finance or refinance the costs of a health care facility, the board of county commissioners may covenant to levy the tax authorized by this section during the term of the bonds, to the extent necessary, and to apply the collections of the tax to the costs of erecting, furnishing, equipping, expanding, improving, maintaining, and operating the health care facility or facilities of the county or the payment of principal of or interest on the bonds. The pledge of the taxes to the payment of the bonds may not cause the bonds to be considered indebtedness of the county for the purpose of any statutory limitation or restriction. The pledge may be made by the board only upon authorization of a majority of the electors of the county voting on the pledge at a general or special election as provided in 7-34-2414."

Section 5. Section 7-6-2531, MCA, is amended to read:

"**7-6-2531. County may exceed maximum mill levy -- election required.** The governing body of a county may raise money by taxation for the support of county government services, facilities, or other capital projects in excess of the levy or levies allowed by law under the following conditions:

(1) The governing body shall pass a resolution indicating its intent to exceed the current statutory mill levy on the approval of a majority of the qualified electors voting in an election under subsection (2). The resolution must include:

(a) the specific purpose for which the additional money will be used;

(b) the specific amount to be raised;

(c) the approximate number of mills required; ~~and~~

(d) the specific mill levy limitation to be exceeded; and

(e) a statement of the impact of the election on the average homeowner in the district in terms of actual dollars in additional property taxes that would be imposed on a residence of a stated value if the mill levy were to pass.

(2) (a) Except as provided in subsection (2)(b), the governing body shall submit the question of the additional mill levy to the qualified electors of the county at the next regular primary election held in an even-numbered year, and the election must comply with [section 1].

(b) If the purpose of the special levy designated pursuant to subsection (1)(a) is for the support of a health care facility as described in 7-6-2512, the governing body may submit the question of the additional mill levy to the qualified electors of the county at a general election, at a school election held pursuant to 20-3-304, or at a regular primary election held in an even-numbered year.

(c) If the majority voting on the question are in favor of the additional levy or levies, the governing body is authorized to exceed the statutory mill levy limit in the amount specified in the resolution ~~for a period not to exceed 2 years~~."

Section 6. Section 7-6-2534, MCA, is amended to read:

"**7-6-2534. Form of ballot.** (1) If at any time it is desired to submit the question of additional levies for more than one purpose, ~~such~~ the propositions ~~shall~~ must be submitted on separate ballots.

(2) Each of the ballots ~~shall be in substantially the following form:~~

~~Shall the county governing body be authorized to make a levy of (here insert the number) mills taxes in addition to the regular levy now authorized by law for the purpose of (here insert the purpose for which the additional levy is to be made and the period for which it shall be in effect)?~~

~~[] FOR additional levy~~

~~[] AGAINST additional levy~~ must conform to the requirements of [section 1]."

Section 7. Section 7-6-2536, MCA, is amended to read:

"7-6-2536. Use of proceeds from additional mill levy. (1) Except as provided in subsection (2), if authorized, the money raised by the additional levy ~~shall~~ must be used only for that specific purpose provided for in ~~7-6-2532~~ the ballot measure.

(2) If any balance remains on hand after the purpose for which the levy was made has been accomplished, the balance may by vote of the governing body be transferred to any other fund of the county."

Section 8. Section 7-6-2537, MCA, is amended to read:

"7-6-2537. Emergency provisions in effect. Nothing in 7-6-2531 or 7-6-2533 through 7-6-2536 ~~shall~~ may affect the emergency levy as provided by law."

Section 9. Section 7-6-2541, MCA, is amended to read:

"7-6-2541. County detention center inmate medical costs. (1) The board of county commissioners shall budget and expend funds for inmate medical care, including but not limited to costs of providing direct medical care, medication, medical services, hospitalization, insurance premiums, self-insured coverage, or contracted services for expenses that must be borne by the county for inmates confined in a county detention center as provided for in 7-32-2222.

(2) If approved at a tax election by a majority of the qualified electors voting on the question, the board may levy up to 2 mills on the taxable value of all property within its jurisdiction for the purpose of subsection (1). The election must be conducted in compliance with [section 1]."

Section 10. Section 7-6-4238, MCA, is amended to read:

"7-6-4238. Restriction on tax-financed expenditures if voter approval of tax levy required. ~~Where~~

When any expenditure program is to be financed from a tax levy required to be authorized and approved at an election as provided in [section 1], ~~no~~ an expenditure ~~shall~~ may not be made or obligation incurred ~~thereunder~~ until ~~such~~ the levy is ~~so~~ authorized and approved."

Section 11. Section 7-6-4272, MCA, is amended to read:

"**7-6-4272. Emergency expenditures.** (1) All emergency expenditures must be charged to the emergency budget appropriations adopted by a three-fourths majority of the members present at a meeting of a governing body.

(2) Emergency expenditures may be made by the issuance of checks or warrants drawn on the municipal treasury. The municipality is authorized and directed to pay the checks or warrants with any money available for that purpose. If at any time there is insufficient money available to pay the emergency expenditures, then emergency warrants must be issued and registered, must bear interest, and must be called for payment in the manner provided by law for other municipal warrants.

(3) The finance officer shall include in the preliminary annual operating budget to be submitted to the governing body the total amount of emergency warrants issued during the preceding fiscal year that remain unpaid. Subject to the provisions of this section, the governing body shall, in the tax levies, include a levy for each fund sufficient to raise an amount equal to the total amount of any emergency warrants remaining unpaid at the close of the preceding fiscal year because of insufficient money in the fund to pay the warrants.

(4) (a) A levy may not be made for any fund in excess of the levy authorized by law to be made for the fund.

(b) The governing body may submit the question of funding the emergency warrants at an election as provided by ~~law~~ [section 1]. If possible, the election must be held in conjunction with a regular or primary election. If at the election issuing of funding bonds is authorized, it is not necessary for any levy to be made for the purpose of paying the emergency warrants.

(5) This section does not apply to a municipality that has adopted the alternative accounting method provided for in Title 7, chapter 6, part 6."

Section 12. Section 7-6-4431, MCA, is amended to read:

"**7-6-4431. Authorization to exceed maximum mill levy -- election required.** The governing body

of a municipality may raise money by taxation for the support of municipal government services, facilities, or other capital projects in excess of the levy or levies allowed by law under the following conditions:

(1) The governing body ~~must~~ shall pass a resolution indicating its intent to exceed the current statutory mill levy on the approval of a majority of the qualified electors voting in an election under subsection (2). The resolution must include:

(a) the specific purpose for which the additional money will be used;

(b) the specific dollar amount to be raised;

(c) the approximate number of mills required; and

(d) the specific mill levy limitation to be exceeded.

(2) The governing body ~~must~~ shall submit the question of the additional mill levy to the qualified electors of the municipality at ~~the next regular primary or general election on either odd-numbered or even-numbered years~~ an election as provided in [section 1]. The question may not be submitted more than once in any calendar year. If the majority voting on the question are in favor of the additional levy or levies, the governing body is authorized to ~~exceed~~ impose the ~~statutory~~ mill levy ~~limit~~ in the amount specified in the resolution ~~for a period not to exceed 2 years~~."

Section 13. Section 7-14-1134, MCA, is amended to read:

"7-14-1134. Method of funding deficiency. (1) Subject to the conditions stated in this section, the governing body of a county or of a municipality having a population in excess of 10,000 may by resolution covenant that if at any time all revenue, including taxes, appropriated and collected for bonds issued pursuant to this part ~~are~~ is insufficient to pay principal or interest then due, it will levy a general tax upon all of the taxable property in the county or municipality for the payment of the deficiency. The governing body may further covenant that at any time a deficiency is likely to occur within 1 year for the payment of principal and interest due on the bonds, it will levy a general tax upon all the taxable property in the county or municipality for the payment of the deficiency. The taxes are not subject to any limitation of rate or amount applicable to other county or municipal taxes but are limited to a rate estimated to be sufficient to produce the amount of the deficiency. If more than one local government is included in an authority issuing bonds pursuant to this part, the local governments may apportion the obligation to levy taxes for the payment of, or in anticipation of, a deficiency in the revenue appropriated for the bonds in a manner that the local governments may determine.

(2) The resolution must state the principal amount and purpose of the bonds and the substance of the covenant respecting deficiencies.

(3) (a) A resolution is not effective until the question of its approval has been submitted to the qualified electors of the local government at ~~a special~~ an election:

~~(i)~~ called for that purpose by the governing body of the local government; and

~~(ii)~~ held ~~in conjunction with a regular or primary election~~ as provided in [section 1]; and

~~(iii)~~ the question is approved by a majority of the electors voting ~~on the question~~.

(b) The notice and conduct of the election is governed, to the extent applicable, as provided for municipal general obligation bonds in Title 7, chapter 7, part 42, for an election called by cities and towns, and as provided for county general obligation bonds in Title 7, chapter 7, part 22, for an election called by counties. If a majority of the electors voting on the issue vote against approval of the resolution, the local government may not make the covenant or levy a tax for the payment of deficiencies pursuant to this section. The local government or authority may issue bonds under this part payable solely from the sources referred to in 7-14-1133(1)."

Section 14. Section 7-14-1633, MCA, is amended to read:

"**7-14-1633. Election required to impose mill levy.** (1) Before the levy provided for in 7-14-1632 may be made, the question must be submitted to a vote of the people at ~~the next regular school~~ an election held ~~in accordance with 20-3-304 or by mail ballot election as provided by Title 13, chapter 19, in the following form:~~

~~"Shall there be a levy of (specify number, not to exceed 6) mills upon the taxable property of the (specify rail authority) necessary to raise the sum of (specify the approximate amount to be raised by the tax levy) for the purpose of (specify purpose for which the levy is made)?~~

~~[] FOR the tax levy.~~

~~[] AGAINST the tax levy~~ pursuant to [section 1].~~"~~

(2) Notice of the election, clearly stating the amount and the purpose of the levy, must be given and the election must be held and conducted and the returns must be made in the manner prescribed by law for the submission of questions to the electors under the general election laws."

Section 15. Section 7-14-2504, MCA, is amended to read:

"7-14-2504. Additional road and bridge construction tax -- election required. (1) Each board may make an additional levy upon the taxable property in the county of up to 10 mills for constructing public highways and bridges.

(2) Before the additional levy may be made, the question must be submitted to a vote of the people ~~at a general election or a special election held in conjunction with a regular or primary election~~ as provided in [section 1]. ~~The question must be in the following form, inserting the number of mills to be levied and the name of the county:~~

~~"Shall there be an additional levy of.... mills upon the taxable property in the county of...., state of Montana, for the purpose of constructing public highways and bridges?~~

~~[] YES~~

~~[] NO".~~

(3) A majority of the votes cast is necessary to permit the additional levy, which must be collected in the same manner as other road taxes."

Section 16. Section 7-14-4404, MCA, is amended to read:

"7-14-4404. Tax levy for contracts to operate bus service. For the purpose of raising the necessary money to defray the cost of the transportation service authorized by 7-14-4401(2) pursuant to a contract, lease, or lease and operating agreement with an independent carrier or carriers, the city or town council may annually levy a tax on the taxable value of all taxable property within the limits of the city or town. Whenever the council of the city or town considers it necessary to raise money by taxation for transportation services in excess of the levy allowed by law, the council of the city or town shall in the manner prescribed by law submit the question of the additional levy to the qualified electors of the city or town~~, either~~ at ~~the regular annual~~ an election held ~~in the city or town or at a special election that is held in conjunction with a regular or primary election and that is called for that purpose by the council of the city or town~~ pursuant to [section 1]. The additional levy may not exceed 1 1/2 mills."

Section 17. Section 7-16-2102, MCA, is amended to read:

"7-16-2102. Authorization for tax levy for parks and certain cultural, social, and recreational facilities. (1) Subject to 15-10-420, the board of county commissioners may annually levy on the taxable property of the county, in the same manner and at the same time as other county taxes are levied, a

~~special~~ tax, not to exceed 2 mills on each dollar of the taxable valuation for any 1 year, for the purpose of maintaining, operating, and equipping parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination of purposes, parks, and facilities.

(2) (a) The board of county commissioners shall submit the question of imposing or the continued imposition of the property tax mill levy provided in subsection (1) to the electors of the county at the next general election if a petition requesting an election, signed by at least 15% of the resident taxpayers of the county, is filed with the county clerk. The petition must be filed with the county clerk at least 90 days prior to the date of the general election.

(b) The question must be submitted ~~substantially as follows:~~

~~[] FOR the imposition (or continued imposition) of a property tax, not to exceed 2 mills, for county parks and for county-owned cultural, social, and recreational facilities.~~

~~[] AGAINST the imposition (or continued imposition) of a property tax for county parks and for county-owned cultural, social, and recreational facilities~~ as provided in [section 1].

(c) The board of county commissioners shall levy the tax ~~for the 2 subsequent fiscal years~~ if the question for the imposition of the tax is approved by a majority of the electors voting on the question.

(3) All laws applicable to the collection of county taxes apply to the collection of the tax provided for in this section."

Section 18. Section 7-16-2109, MCA, is amended to read:

"7-16-2109. Single tax for county fair activities, county parks, and certain cultural, social, and recreational facilities -- restriction. (1) Subject to 15-10-420 and except as provided in subsection (2), the county commissioners of a county who have levied taxes pursuant to both 7-16-2102 and 7-21-3410 ~~before January 1, 1993,~~ may combine the two taxes into a single tax that may not exceed 3 1/2 mills on each dollar of the taxable valuation for any 1 year for the purpose of maintaining, operating, and equipping county fair activities, county parks, cultural facilities, and any county-owned civic center, youth center, recreation center, recreational complex, or any combination of purposes, activities, and facilities. The money collected may be distributed among the activities and facilities as determined by the county commissioners.

(2) (a) The board of county commissioners shall submit the question of imposing or continuing the imposition of the single tax provided for in subsection (1) to the electors of the county at the next general

election if a petition requesting a vote on the single tax, signed by at least 15% of the resident taxpayers of the county, is filed with the county clerk at least 90 days prior to the date of the general election.

(b) The question must be submitted ~~substantially as follows:~~

~~[] FOR imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills, for county fair activities, county parks, and county-owned cultural, social, and recreational facilities.~~

~~[] AGAINST imposition (or continued imposition) of a property tax, not to exceed 3 1/2 mills, for county fair activities, county parks, and county-owned cultural, social, and recreational facilities~~ as provided in [section 1].

(c) The board of county commissioners shall levy the tax ~~for the 2 subsequent fiscal years~~ if the imposition or continued imposition of the single tax is approved by a majority of the electors voting on the question."

Section 19. Section 7-16-2411, MCA, is amended to read:

"7-16-2411. Creation of county park district. (1) Proceedings for the creation of a county park district may be initiated by:

(a) a petition signed by 10% or more of the qualified electors of the proposed park district; or

(b) a resolution of intent adopted by the county governing body, calling for the creation of a county park district.

(2) The petition or resolution must contain:

(a) the boundaries of the proposed district;

(b) subject to 15-10-420, the proposed ~~maximum~~ property tax mill levy that could be levied on property owners within the district or the proposed maximum fee on each household within the proposed district for the operation of the district; and

(c) the proposed number of members of the county park district commission. The number of members must be an odd number and may not be less than three.

(3) When the territory to be included in the proposed district lies in more than one county, a petition must be presented to the governing body of each county in which the territory lies. Each petition must be signed by 10% or more of the qualified electors of the territory within the county proposed to be included in the district.

(4) Upon receipt of a petition for the creation of a county park district, the county clerk shall examine it and within 15 days either reject the petition if it is insufficient under the provisions of subsection (1), (2), or (3) or certify that the petition is sufficient and present it to the county governing body at its next meeting.

(5) The text of the petition or resolution must be published, as provided in 7-1-2121, in each county in which the territory of the proposed district lies.

(6) At the hearing, the county governing body shall hear:

(a) testimony of all interested persons on whether a county park district should be created;

(b) testimony regarding the proposed boundary, the property tax mill levy or proposed fee on each household within the proposed district, and the number of members of the district commission; and

(c) any other matter relating to the proposed district.

(7) After the hearing, if the county governing body determines that the proposed park district should be created, it shall by resolution:

(a) set the boundaries of the proposed park district;

(b) set the ~~maximum~~ mill levy or maximum fee on each household for the proposed park district;

(c) set the number of members to be on the district commission; and

(d) call for an election on the question of whether to create the county park district. The election must be held ~~in conjunction with a regular or primary election, provided that at least 75 days have elapsed between the adoption of the resolution and the election~~ as provided in [section 1]."

Section 20. Section 7-16-2412, MCA, is amended to read:

"7-16-2412. Election on creation of district. (1) The election on the question of whether to create a county park district must be conducted as provided in Title 13.

(2) Only qualified electors residing within the proposed park district may vote on the question of whether to create the district.

(3) The question of creating a county park district ~~shall~~ must be submitted to the electors in ~~substantially one of the following forms:~~

~~(a) [] FOR the creation of a county park district that may levy not more than .... mills of property tax for the operation of the district.~~

~~[] AGAINST the creation of a county park district.~~

~~(b) [] FOR the creation of a county park district that may assess a fee on each household of .... dollars for the operation of the district.~~

~~[] AGAINST the creation of a county park district~~ as provided in [section 1]."

Section 21. Section 7-16-2432, MCA, is amended to read:

"7-16-2432. Election to change maximum property tax mill levy. (1) The maximum property tax mill levy authorized for the operation of a county park district may be changed by an election on the question of changing the maximum mill levy.

(2) A vote on the question of raising or lowering the maximum property tax mill levy in the district may be initiated by:

(a) a petition signed by not less than 15% of the electorate of the district; or

(b) a resolution of the county park district commission.

(3) The petition or resolution must ~~set forth the proposed new maximum mill levy for the operation of the district~~ conform to the requirements of [section 1].

(4) Upon receipt of a petition for a change in the maximum mill levy, certified by the county clerk as sufficient under this section, or a resolution for ~~such~~ a change in the maximum mill levy adopted by the county park district commission, the county governing body shall submit to the electorate of the district, at the next election at which members are elected to the county park district commission, a ballot question on changing the maximum mill levy. The election on the question of changing the maximum mill levy must be held as provided in Title 13. The question must be submitted to the electors of the district ~~in substantially the following form:~~

~~[] FOR changing the authorized maximum property tax mill levy for the operation of the county park district from .... to .....~~

~~[] AGAINST changing the authorized maximum property tax mill levy for the operation of the county park district~~ as provided in [section 1].

(5) If a county park district includes one or more municipalities or parts of municipalities, separate majorities of those voting on the question of changing the property tax mill levy are required of those voting who reside within each municipality and of those not residing within a municipality.

(6) The new maximum property tax mill levy is authorized for the following tax year if approved by a simple majority of the votes on the question."

Section 22. Section 7-22-2142, MCA, is amended to read:

"**7-22-2142. Sources of money for noxious weed fund.** (1) The commissioners may create the noxious weed fund and provide sufficient money in the fund for the board to fulfill its duties, as specified in 7-22-2109, by:

(a) appropriating money from the general fund of the county;

(b) subject to 15-10-420 and at any time fixed by law for levy and assessment of taxes, levying a tax not exceeding 2 mills on the dollar of total taxable valuation in the county. The tax levied under this subsection must be identified on the assessment as the tax that will be used for noxious weed control.

(c) levying a tax in excess of 2 mills if authorized by a majority of the qualified electors voting in an election held for this purpose pursuant to 7-6-2531, 7-6-2533 through 7-6-2536, and [section 1].

(2) The proceeds of the noxious weed control tax must be used solely for the purpose of managing noxious weeds in the county and must be designated to the noxious weed fund.

(3) Any proceeds from work or chemical sales must revert to the noxious weed fund and must be available for reuse within that fiscal year or any subsequent year.

(4) The commissioners may accept any private, state, or federal gifts, grants, contracts, or other funds to aid in the management of noxious weeds within the district. These funds must be placed in the noxious weed fund."

Section 23. Section 7-32-235, MCA, is amended to read:

"**7-32-235. Search and rescue units authorized -- under control of county sheriff -- optional funding.** (1) A county may establish or recognize one or more search and rescue units within the county.

(2) Except in time of martial rule as provided in 10-1-106, search and rescue units and their officers are under the operational control and supervision of the county sheriff, or the sheriff's designee, having jurisdiction and whose span of control would be considered within reasonable limits.

(3) A county may, after approval by a majority of the people voting on the question at an election held throughout the county, levy an annual tax of not more than 1 mill on ~~each dollar of~~ the taxable value of all taxable property within the county to support one or more search and rescue units established or recognized under subsection (1). The election must be held ~~in conjunction with a regular or primary election~~ as provided in [section 1]."

Section 24. Section 7-34-102, MCA, is amended to read:

"7-34-102. Special mill levy permitted. (1) Subject to 15-10-420 and in addition to all other levies authorized by law, each county, city, or town may levy an annual tax up to 1 mill on ~~the dollar of~~ the taxable value of all taxable property within the county, city, or town to defray the costs incurred in providing ambulance service.

(2) In addition to the levy authorized by subsection (1), a county, city, or town may levy an additional 2 mills for the support of ambulance services if, at a regularly scheduled election held as provided in [section 1], the electorate of the county, city, or town approves the imposition of the additional levy."

Section 25. Section 7-34-2135, MCA, is amended to read:

"7-34-2135. Election required to impose special additional mill levy. (1) Before each additional levy provided for in 7-34-2134 may be made, the question ~~shall~~ must be submitted to a vote of the people at the next primary election held in an even-numbered year or on the next regular school election day held in accordance with 20-3-304 or by mail ballot election as provided by Title 13, chapter 19, in ~~the following form:~~

~~"Shall there be an additional levy of (specify number) mills upon the taxable property of the (specify hospital district) for 2 years necessary to raise the sum of (specify the approximate amount to be raised by the additional tax levy) for the purpose of (specify purpose for which the additional levy is made)?~~

~~[] FOR an additional levy to raise the sum of (state the approximate amount to be raised by the additional tax levy), and being (give number) mills.~~

~~[] AGAINST an additional tax levy to raise the sum of (state the approximate amount to be raised by the additional tax levy), and being (give number) mills~~ accordance with the provisions of [section 1].~~"~~

(2) Notice of the election~~, clearly stating the amount and the purpose of the additional levy,~~ must be given and the election must be held and conducted and the returns must be made in all respects in the manner prescribed by law with regard to the submission of questions to the electors under the general election laws."

Section 26. Section 19-18-504, MCA, is amended to read:

"**19-18-504. Amount of ~~special~~ tax levy.** Whenever the fund contains an amount that is less than 4% of the taxable valuation of all taxable property in the city or town, the city or town council shall levy an annual ~~special~~ tax of not less than 1 mill and not more than 4 mills on ~~each dollar of~~ the taxable valuation of all taxable property within the city or town. When the fund contains an amount that is less than 10% but more than 4% of the taxable valuation of all taxable property in the city or town, the city or town council may, if authorized by the voters as provided in [section 1], levy an annual ~~special~~ tax of not less than 1 mill and not more than 4 mills on ~~each dollar of~~ the taxable valuation."

Section 27. Section 20-9-353, MCA, is amended to read:

"**20-9-353. Additional financing for general fund -- election for authorization to impose.** (1) The trustees of a district may propose to adopt:

(a) an over-BASE budget amount for the district general fund that does not exceed the maximum general fund budget for the district or other limitations, as provided in 20-9-308(2); or

(b) a general fund budget amount in excess of the maximum general fund budget amount for the district, as provided in 20-9-308(3).

(2) When the trustees of the district propose to adopt an over-BASE budget under subsection (1)(a), any increase in local property taxes authorized by 20-9-308(5) must be submitted to a vote of the qualified electors of the district, as provided in [section 1]. The trustees are not required to submit to the qualified electors any increase in state funding of the basic or per-ANB entitlements approved by the legislature. When the trustees of a district determine that a voted amount of financing is required for the general fund budget, the trustees shall submit the proposition to finance the voted amount to the electors who are qualified under 20-20-301 to vote upon the proposition. The election must be called and conducted in the manner prescribed by this title for school elections and must conform to the requirements of [section 1]. The ballot for the election must ~~state the amount of the estimated increase in local property taxes and the estimated impact on the over-BASE mills needed to fund the general fund budget~~ conform to the requirements of [section 1]. ~~The ballot must be in the following format:~~

~~PROPOSITION~~

~~The district levied (state the total amount of local property taxes levied in support of the district's prior year's over-BASE general fund budget) dollars and (state the total number of mills levied in support~~

~~of the district's prior year's over-BASE general fund budget) mills to support the previous year's over-BASE general fund budget. If this proposition is approved, the local property taxes to support the district's proposed over-BASE general fund budget will increase by (state the additional local property taxes) dollars. The mills will (increase or decrease as applicable) by (insert the number of mills) mills.~~

~~Shall the district be authorized to increase the local property taxes by (insert the amount), which will (increase or decrease as applicable) the local mills by approximately (insert the number of mills) mills?~~

~~[] FOR the additional levy.~~

~~[] AGAINST the additional levy.~~

(3) When the trustees of a district propose to adopt the general fund budget amount in excess of the maximum general fund budget under subsection (1)(b), the trustees shall submit the proposition to finance the additional amount of general fund budget authority to the electors who are qualified under 20-20-301 to vote upon the proposition. The election must be called and conducted in the manner prescribed by this title for school elections. The ballot for the election must state the amount of the budget to be financed, the approximate number of mills required to fund all or a portion of the budget amount, and the purpose for which the money will be expended. The ballot must be in the following format:

PROPOSITION

Shall the district be authorized to expend the sum of (state the additional amount to be expended) and being approximately (give number) mills for the purpose of (insert the purpose for which the additional financing is made)?

[] FOR budget authority and any levy.

[] AGAINST budget authority and any levy.

(4) If the election on any additional financing or budget authority for the general fund is approved by a majority vote of the electors voting at the election, the proposition carries and the trustees may use any portion or all of the authorized amount in adopting the final general fund budget. The trustees shall certify any additional levy amount authorized by the election on the budget form that is submitted to the county superintendent, and the county commissioners shall levy the authorized number of mills on the taxable value of all taxable property within the district, as prescribed in 20-9-141.

(5) Authorization to levy an additional tax to support a budget amount adopted as allowed by 20-9-308(3) is effective for only 1 school fiscal year.

(6) All levies adopted under this section must be authorized by the election conducted before

August 1 of the school fiscal year for which it is effective.

(7) If the trustees of a district are required to submit a proposition to finance an over-BASE budget amount or an amount in excess of the maximum general fund budget amount for the district, as allowed by 20-9-308(3), to the electors of the district, the trustees shall comply with the provisions of subsections (2) through (6) of this section."

Section 28. Section 20-9-502, MCA, is amended to read:

"20-9-502. Purpose and authorization of a building reserve fund by an election. (1) The trustees of any district, with the approval of the qualified electors of the district, may establish a building reserve for the purpose of raising money for the future construction, equipping, or enlarging of school buildings or for the purpose of purchasing land needed for school purposes in the district. In order to submit to the qualified electors of the district a building reserve proposition for the establishment of or addition to a building reserve, the trustees shall pass a resolution that specifies:

(a) the purpose or purposes for which the new or addition to the building reserve will be used;

(b) the duration of time over which the new or addition to the building reserve will be raised in annual, equal installments;

(c) the total amount of money that will be raised during the duration of time specified in subsection (1)(b); and

(d) any other requirements under [section 1] and 20-20-201 for the calling of an election.

(2) The total amount of building reserve when added to the outstanding indebtedness of the district may not be more than the limitations provided in 20-9-406. A building reserve tax authorization may not be for more than 20 years.

(3) The election must be conducted in accordance with the school election laws of this title, and the electors qualified to vote in the election must be qualified under the provisions of 20-20-301. The ballot for a building reserve proposition must be substantially in ~~the following form:~~

~~OFFICIAL BALLOT~~

~~SCHOOL DISTRICT BUILDING RESERVE ELECTION~~

~~INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BUILDING RESERVE--YES" if you wish to vote for the establishment of a building reserve (addition to the building reserve); if you are opposed to the establishment of a building reserve (addition to the building~~

~~reserve) make an X or similar mark in the square before the words "BUILDING RESERVE--NO".~~

~~Shall the trustees be authorized to impose an additional levy each year for .... years to establish a building reserve (add to the building reserve) of this school district to raise a total amount of .... dollars ($....), for the purpose(s) .... (here state the purpose or purposes for which the building reserve will be used)?~~

~~( ) BUILDING RESERVE--YES.~~

~~( ) BUILDING RESERVE--NO~~ compliance with [section 1].

(4) The building reserve proposition is approved if a majority of those electors voting at the election approve the establishment of or addition to the building reserve. The annual budgeting and taxation authority of the trustees for a building reserve is computed by dividing the total authorized amount by the specified number of years. The authority of the trustees to budget and impose the taxation for the annual amount to be raised for the building reserve lapses when, at a later time, a bond issue is approved by the qualified electors of the district for the same purpose or purposes for which the building reserve fund of the district was established. Whenever a subsequent bond issue is made for the same purpose or purposes of a building reserve, the money in the building reserve must be used for ~~such~~ the purpose or purposes before any money realized by the bond issue is used."

Section 29. Section 20-15-241, MCA, is amended to read:

"20-15-241. Community college service regions -- creation. (1) The governing body of an elementary school district, high school district, county, or municipality not within a community college district may designate itself a community college service region, as provided in this section.

(2) A service region may be designated only if, within 12 months preceding any designation, the following conditions are met:

(a) the service plan required by subsection (3) is available;

(b) the board of trustees of the community college district that will offer services within the region has approved the designation;

(c) the electors within the region have approved the designation by a majority of votes cast on the question in an election held on a general election day; and

(d) the board of regents has approved the designation.

(3) (a) At least 90 days prior to the granting of any of the approvals listed in subsections (2)(b)

through ~~(d)~~ (2)(d), a written plan must be made available ~~which~~ that:

(i) details the services the community college district will offer within the region;

(ii) details who will be eligible to use the services and the charges that will be made to users;

(iii) indicates the facilities that will be used to house the services;

(iv) lists the direct and indirect costs of the services and the apportionment of those costs between the community college district and the governing body designating the service region;

(v) estimates the number of persons expected to use the services within the region; and

(vi) estimates the mill levy necessary to fund the service region and estimates the impact of the election on the average homeowner in the district in terms of actual dollars in additional property taxes that would be imposed on a residence of a stated value.

(b) The plan may be revised jointly by the region governing body, board of regents, and the board of trustees of the community college district as ~~such~~ a revision may be necessary.

(4) A designation is effective for 5 years and after 5 years is effective unless rescinded by a majority of electors casting votes on the question in an election held on any general election day following expiration of the 5-year period. The question on rescission must be put on the ballot when requested at least 90 days prior to the election by the governing body designating the service region, by the community college board, or by a petition signed by 20% of the registered electors within the service region. The rescission is effective at the end of the first full academic year following the election rescinding the district designation."

Section 30. Section 20-15-311, MCA, is amended to read:

"**20-15-311. Funding sources.** The annual operating budget of a community college district must be financed from the following sources:

(1) the estimated revenue to be realized from student tuition and fees, except revenue related to community service courses, as defined by the board of regents;

(2) subject to 15-10-420, a mandatory mill levy on the community college district;

(3) subject to 15-10-420, the 1-mill adult education levy authorized under provisions of 20-15-305;

(4) the state general fund appropriation;

(5) an optional voted levy on the community college district that must be submitted to the

electorate in accordance with general school election laws and [section 1];

(6) all other income, revenue, balances, or reserves not restricted by a source outside the community college district to a specific purpose;

(7) income, revenue, balances, or reserves restricted by a source outside the community college district to a specific purpose. Student fees paid for community service courses, as defined by the board of regents, are considered restricted to a specific purpose;.

(8) income from a political subdivision that is designated a community college service region under 20-15-241."

Section 31. Section 22-1-304, MCA, is amended to read:

"22-1-304. Tax levy -- special library fund -- bonds. (1) Subject to 15-10-420, the governing body of a city or county that has established a public library may levy in the same manner and at the same time as other taxes are levied a ~~special~~ tax in the amount necessary to maintain adequate public library service. The ~~special~~ tax levy that may be levied by the governing body of a county may not exceed 5 mills ~~on the dollar~~ on the taxable valuation of all property in the county. The ~~special~~ tax that may be levied by the governing body of a city may not exceed 7 mills ~~on the dollar~~ on the taxable valuation of all property in the city.

(2) (a) The governing body of a city or county may by resolution submit the question of ~~exceeding the maximum~~ imposing a tax levy ~~provided in subsection (1)~~ to a vote of the qualified electors at ~~the next appropriate election or at a special election as provided for in Title 13~~ an election as provided in [section 1]. The resolution must be adopted at least 75 days prior to the election at which the question will be voted on.

(b) Upon a petition being filed with the governing body and signed by not less than 5% of the resident taxpayers of any city or county requesting an election for the purpose of ~~exceeding the maximum~~ imposing a mill levy, the governing body shall submit to a vote of the qualified electors at the next election or at a special election, as provided ~~for~~ in ~~Title 13~~ [section 1], the question of ~~exceeding~~ imposing the ~~maximum~~ mill levy. The petition must be delivered to the governing body at least 90 days prior to the election at which the question will be voted on.

~~(c) The question must be submitted by ballots upon which the words "FOR exceeding the ... mill maximum levy and authorizing an additional ... mill(s) for the library" and "AGAINST exceeding the ... mill~~

~~maximum library levy" must appear, with a square before each proposition and a direction to insert an "X" mark in the square before one or the other of the propositions.~~

~~(d) The ballots must also specify the amount of time during which the proposed increase exceeding the maximum mill levy is to be in effect.~~

~~(e) The votes cast for the adoption or rejection of the question must be canvassed, and:~~

~~(i) if a majority of the voters voting on the question vote to exceed the maximum mill levy, the governing body shall levy the additional tax for the time specified on the ballot; or~~

~~(ii) if a majority of the voters voting on the question vote to not exceed the maximum mill levy, the maximum mill levy may not be exceeded.~~

(3) The municipal tax authorized in this section is in addition to all other taxes authorized by law and is not within the all-purpose mill levy established by 7-6-4451 through 7-6-4453.

(4) The proceeds of the tax constitute a separate fund called the public library fund and may not be used for any purpose except those of the public library.

(5) Money may not be paid out of the public library fund by the treasurer of the city or county except by order or warrant of the board of library trustees.

(6) Bonds may be issued by the governing body in the manner prescribed by law for the following purposes:

(a) building, altering, repairing, furnishing, or equipping a public library or purchasing land for the library;

(b) buying a bookmobile or bookmobiles; and

(c) funding a judgment against the library."

Section 32. Section 76-15-531, MCA, is amended to read:

"76-15-531. Special administrative assessment permitted -- voter approval. (1) (a) In addition to the levy authorized in 76-15-515 and 76-15-516(3), the supervisors of a conservation district may levy an annual special administrative assessment, not to exceed the amount determined under subsection (1)(b) each year, for administrative costs and expenses of the district ~~if, at a regularly scheduled election or special election,~~ the qualified electors of the district approve the imposition of the additional assessment at an election held as provided in [section 1].

(b) The annual levy authorized by this section may not exceed the difference between the amount

raised by the annual mill levy authorized under 76-15-515 and $20,000.

(c) Nonmill-levy revenue that is distributed based on the relative proportion of mill levies may not be distributed to the special administrative assessment.

(2) The special administrative assessment question may be presented to the qualified electors of the district by resolution of the supervisors.

(3) If the conservation district is located in more than one county, the special administrative assessment question must be presented to and approved by the qualified electors who reside in the district from each county.

(4) The resolution referring the special administrative assessment question must state:

(a) the rate of the assessment;

(b) the amount of money anticipated to be raised by the assessment; and

(c) the purposes for which the special administrative assessment revenue may be used."

Section 33. Section 90-5-112, MCA, is amended to read:

"**90-5-112. Economic development levy.** (1) Subject to 15-10-420, the governing body of a city, county, or town is authorized to levy up to 1 mill upon the taxable value of all the property in the city, county, or town subject to taxation for the purpose of economic development. The governing body may:

(a) submit the question of the mill levy to the qualified voters ~~voting in a city, county, or town election~~ as provided in [section 1]; or

(b) approve the mill levy by a vote of the governing body.

(2) Funds derived from this levy may be used for purchasing land for industrial parks, constructing buildings to house manufacturing and processing operations, conducting preliminary feasibility studies, promoting economic development opportunities in a particular area, and other activities generally associated with economic development. These funds may not be used to directly assist an industry's operations by loan or grant or to pay the salary or salary supplements of government employees.

(3) The governing body of the county, city, or town may use the funds derived from this levy to contract with local development companies and other associations or organizations capable of implementing the economic development function.

(4) A tax authorized by a vote of the electorate, as provided in subsection (1)(a), may be levied for a period not to exceed 6 years."

NEW SECTION. **Section 34. Repealer.** Section 7-6-2532, MCA, is repealed.

NEW SECTION. **Section 35. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 10, part 4, and the provisions of Title 15, chapter 10, part 4, apply to [section 1].

- END -

FISCAL NOTE

Bill #: HB0179 **Title:** Voter mill levy advisory language

Primary Sponsor: Tom Dell **Status:** As Introduced

Tom Dell 1/22/01 Chuck Swysgood 1/16/01

Sponsor signature Date Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY2002 Difference	FY2003 Difference

Net Impact on General Fund Balance: No fiscal impact.

Yes	No		Yes	No	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. Under current law, when school districts adopt a budget that is less than the maximum general fund budget (as determined under 20-9-306(8)), the ballot must state the amount of estimated increase in local property taxes and the estimated impact on the over-BASE mills needed to fund the general fund budget.
2. Under HB 179, the ballot proposition would state the total increase in mills and property taxes to fund both the BASE and the over-BASE portions of the district general fund budget.
3. It is assumed that the phrase " impact of the election on the average homeowner in the district" refers to the impact of the election on the average *home value* (see technical note).
4. It is assumed that the Department of Revenue will not be responsible for calculating the financial impact to the "average homeowner" for every mill levy election in the state (see technical note).

TECHNICAL NOTES:

1. The 1999 Legislature approved a policy of not requiring voter approval for tax increases associated with any increases in a school districts BASE budget. HB 179 would require voter approval for such increases.
2. Section 20-9-353(2), MCA, is amended to change the ballot language for equalized districts, but subsection (3) is not amended for districts budgeting over the maximum budget. This creates a significant inconsistency.

HB 179

3. The proposal refers to the impact of the election on the " average homeowner". It is unknown what the average homeowner is. It appears that the language should be changed to include a statement of the impact of the election on the *average home value* in the district.
4. The proposal is unclear on what entity has the responsibility for calculating the average homeowner's impact from raising the mill levy within the district seeking the election.

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN MARK NOENNIG**, on January 23, 2001 at 3:00 P.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Mark Noennig, Chairman (R)
Rep. Rod Bitney, Vice Chairman (R)
Rep. Jeff Mangan, Vice Chairman (D)
Rep. Joan Andersen (R)
Rep. Eileen Carney (D)
Rep. Larry Cyr (D)
Rep. John Esp (R)
Rep. Dennis Himmelberger (R)
Rep. Hal Jacobson (D)
Rep. Rick Laible (R)
Rep. Jesse Laslovich (D)
Rep. Bob Lawson (R)
Rep. Michelle Lee (D)
Rep. Brad Newman (D)
Rep. Ken Peterson (R)
Rep. William Price (R)
Rep. James Whitaker (R)
Rep. Cindy Younkin (R)

Members Excused: None.

Members Absent: None.

Staff Present: Eddye McClure, Legislative Branch
Pati O'Reilly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: ~~HB 179,~~ HB 257, SB 87
1/20/01
Executive Action: HB 55, SB 87

HEARING ON HB 179

Sponsor: Representative Tom Dell, HD 19, Billings

Proponents: Gordon Morris, Director, Mt. Association of Counties

Opponents: none

Opening Statement by Sponsor:

Representative Tom Dell, HD 19, Billings, explained the bill is a response to the voters' right to know the true cost of a particular tax increase on their property, in a way they can understand. It also updates statutory language that relates to the mill levy election laws. This has to do with all mill levy elections. He has ran this bill past the Montana Association of Counties, Clerk and Recorders, and the Montana Department of Revenue and has received a general consensus that it's a workable bill. Remember, the goal of this bill is to ensure the voter can understand the mill levy in terms of dollars and cents as taxes increase on their property. **EXHIBIT(1)** ***{Tape : 1; Side : A; Approx. Time Counter : 0 - 4.3}***

Proponents' Testimony:

Gordon Morris, Mt. Association of Counties, said the average homeowner has complications trying to figure out what they owe in terms of taxes on property. The ballot is proposing to increase the amount a homeowner pays on taxes to $65,000, so instead of reading "the average homeowner", the ballot should read "a home valued at $65,000". With these changes I support HB 179 and ask for your consideration. ***{Tape : 1; Side : A; Approx. Time Counter : 4.3 - 10.6}***

Informational Witnesses:

Robert Throssell, Mt. Assn. of Clerks and Recorders, said he is available to answer any questions the committee might have on this particular bill. ***{Tape : 1; Side : A; Approx. Time Counter : 10.6 - 13.4}***

Opponents' Testimony: none

Questions from Committee Members and Responses:

Representative Lawson asked if the people **Rep. Dell** touched bases with included MEA or the Montana School Board Association. **Rep. Dell** replied that he talked with Lance Melton from MSBA, and he

didn't indicate any concerns towards this bill. **Rep. Lawson** asked why they are leaving out the MSBA, and expressed concern. **Rep. Dell** said he thinks the public is confused with the language as it pertains to his amendment. He doesn't think his "truth-in-levy" as it applies to dollar amounts for homeowners will do anything to hamper school districts. **Rep. Lawson** stated that the fiscal note states something else, and he would feels uncomfortable voting for the bill until it is clarified. **Rep. Dell** said that he did not initially sign this fiscal note, figuring he would follow up on it later.

Rep. Younkin asked why you would want to delete "the average homeowner" to say "a house valued at 65,000 dollars." **Rep. Dell** said he wanted to make it very precise and concrete. **Rep. Younkin** said the only concern she is having with it is that in the city there is no such thing as a $65,000 house. **Rep. Dell** said you can use this number as a rough estimate to decide what you will owe.

Rep. Bitney gave a suggestion to have the bill read $100,000.00, which is still artificial, but will allow calculating up and down in 10% increments. **Rep. Dell** said he will leave it up to the discretion of the committee to decide on the specific figure.

Rep. Anderson asked how this relates to agriculture property. **Rep. Dell** said it will be up to whoever sponsors this levy increase. They have to find what it's going to cost the average home owner. Real estate values aren't addressed in the bill, but could be. The purpose of the bill was to inform the voter.

Rep. Peterson asked if they were aware of the pamphlet that registered voters can pick up in response to the payment on a house valued at $125,000.00. **Rep. Dell** said he isn't sure of the voter pamphlet, because it is issued periodically.

Rep. Noennig asked if some of the provisions which are modified by the big bill are in this bill. **Rep. Dell** replied the big bill contains many revisions in state and local revenue allocation. This bill stands on its own, and doesn't need to be coordinated with HB 124, whether HB 124 passes or not. ***{Tape : 1; Side : A; Approx. Time Counter : 13.4 - 25.5}***

<u>Closing by Sponsor</u>:

Representative Dell said this bill will allow the voters to truly understand the personal costs dealing with the mill levy. This information might be found in other sources, but many of his constituents don't read pamphlets. If we put mill levies on there all we have to do is put on the average cost. As an added benefit,

possibly more mill levies will pass if the language is more clear. *{Tape : 1; Side : A; Approx. Time Counter : 25.5 - 27.3}*

HEARING ON HB 257

Sponsor: **Representative Cindy Younkin, HD 28, Bozeman**

Proponents: **Jennifer Smith- Mitchell, Gallatin County Commissioner**
Gordon Morris, Director, Mt. Assn. of Counties
Ron Allis, Chief Adm. Officer for Lewis and Clark County

Opponents: **Alicia Pichette, Lewis and Clark Auditor**

Opening Statement by Sponsor:

Representative Cindy Younkin, HD 28, Bozeman stated the bill modernizes the process for approval, disapproval, and payment by county auditors and county commissioners. It clarifies the process for payment, and how they would be contested. *{Tape : 1; Side : A; Approx. Time Counter : 27.3 - 29}*

Proponents' Testimony:

Jennifer Smith- Mitchell, Gallatin County Commissioner, said the bill would modernize the process and increase the consistency of local government processes and accountability that we expect from most government. The county auditor is the last step in the approval of a payment of counties' bills. This bill slightly reverses the process and proposes a change that would put the authority on the auditor, and not the county commissioners. This would be consistent with other decisions made by county commissioners such as contracts and grievances. At present, if the board of commissioners approve the payment of a claim, but the auditor denies it, the board must use the taxpayer's money to prove that it is a valid claim. This bill addresses the auditor's decision, allowing the board of commissioners to review the claim even if the auditor disapproves. They are allowed to appeal it to district court within seven days if the auditor still disapproves. This insures that the person who is expecting payment will be paid. *{Tape : 1; Side : A; Approx. Time Counter : 29 - 30} {Tape : 1; Side : B; Approx. Time Counter : 0 - 3.5}*

Gordon Morris, Director for MACO, said the bill is taking the district court judge out of the first position and putting them in

MINUTES

MONTANA SENATE
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN DALE MAHLUM**, on March 1, 2001 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)
Sen. Ken Miller (R)
Sen. Ken Toole (D)

Members Excused: Sen. John Cobb (R)
Sen. Jim Elliott (D)
Sen. Emily Stonington (D)

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 83, 2/22/2001
HB 130, 2/22/2001
HB 179, 2/22/2001
HB 221, 2/22/2001

Executive Action: HB 83 BC
HB 130 BC
HB 221 BC
HB 179 was discussed

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON HB 179

Sponsor: **REP. TOM DELL, HD 19, BILLINGS**

Proponents: **Jani McCall, City of Billings**

Opponents: **None**

Opening Statement by Sponsor:

REP. TOM DELL, HD 19, BILLINGS. One of his constituents came to him and explained that she gets confused on election issues that deal with mill levies. She did not understand mill levies. This bill is in response to the voters' right to know the true cost of a tax increase on their property. The language on HB 179 would include on the ballot form "a statement of the impact of the election on a home valued at $100,000 in the district in terms of actual dollars in additional property taxes that would be imposed on a residence." This would give voters a sense of how much their taxes would be raised. Greg Petesch wrote the bill which contains statutory language that pertains to the "big bill." House Bill 179 will be found at the bottom of page 1, line 30. It follows on page 2, lines 1-4. It continues on page 4, lines 15-17. It continues on page 20, lines 10-12. Those are the changes. New sections consist, not only of this bill, but the "big bill," HB 124. Each bill stands alone. If HB 124 should not pass, that would not affect HB 179 if it were to pass.

Proponents' Testimony:

Jani McCall, City of Billings. The city supports the bill. It allows for clarification, better understanding and informed decision-making for voters. People are confused when it comes to mill levies.

Opponents' Testimony: **None**

Questions from Committee Members and Responses:

SEN. DUANE GRIMES felt that it was not that onerous to use the average price of a home of a given district. He asked for a sample or for the kind of language that is on the ballot currently. **REP. DELL** replied that what is normally put on the ballot is millage language. The newspapers do sometimes carry this kind of explanation for a $100,000 home. He felt that using a $100,000 home was easier than an average price on houses in an area to figure out what an increase would be on other homes.

SEN. GRIMES asked if it would be more difficult to pass a mill levy if the voters had that knowledge. **REP. DELL** responded that his constituent said she would have voted for that particular mill levy if she had been able to figure out that it was going to cost her $9.00 a year. The mill levy was for a $2 million increase. He, therefore, felt that more mill levies would pass if the voters were more knowledgeable.

SEN. CHRIS CHRISTIAENS informed the committee that his county had a mill levy going out on a mail-out ballot next week in Great Falls for a sports complex for about $9 million. In the newspaper, they have been telling voters what it would cost for a person with a $50,000 home or a $100,000 home. His concern was that when the mill levies go into place, being based on the current value of the mill in that county, the value of a mill may change. The mill is set in August for the coming year and if there is a great deal of expansion, that figure may or may not be correct. The voters would then have been misled. **REP. DELL** replied that it is the responsibility of whoever figures the mill levy to get an accurate figure for the ballot. The media does usually do that. He understood that it is not that difficult and did not think it would change all that drastically.

SEN. CHRISTIAENS followed up with the thought of taking into consideration the closure of Conoco over in East Helena and what that would do to a mill levy either in Lewis & Clark or the City of Helena or East Helena. His fear is that if the voter is counting on an increase of $9 and, because of an economic downturn, the increase is doubled, those voters are going to be very unhappy and feel that they were misled. **REP. DELL** answered that there are those probabilities, but he didn't want to throw the baby out with the bath water. The information is important to the voters and it would be impossible to foresee any or all situations that could change the value of a mill.

SEN. KEN TOOLE asked if this would be replacing current language with the value of $100,000 home. **REP. DELL** stated that the language concerning the $100,000 home is just being added to the current statute. It does not change existing language.

SEN. GRIMES noted that voter information guides are used for initiatives. He wondered if there were guides for voters concerning mill levy elections. **REP. DELL** did not think so.

SEN. GRIMES was concerned about the effective date of October. He asked if an earlier date might be better. **REP. DELL** replied that an earlier date would be fine.

SEN. KEN MILLER asked if the sponsor would be favorable to some additional language. He suggested that the voters be made aware of current taxes on a $100,000 home and then be shown the additional tax of the mill levy. **REP. DELL** would not mind as long as the bill is kept simple and uncomplicated.

SEN. JOHN BOHLINGER felt that the bill was very straight forward.

CHAIRMAN DALE MAHLUM remarked that if the millage would go up the next year, could there be some language that would state that the increase would be based on the current value of a $100,000 home. That would indicate that there could be a possible change at a later date.

SEN. CHRISTIAENS responded that might be a good idea because if one knows the value of a mill and if that value changes, they would know their tax could be changed, up or down.

REP. DELL agreed to that possible change.

Closing by Sponsor:

REP. DELL closed. The value of this bill would be similar to the Truth In Lending Act when someone buys a home. People so often do not understand the mill levy issue. The bill would help more mill levies to be passed.

{Tape : 1; Side : B; Approx. Time Counter : 0}

EXECUTIVE ACTION ON HB 179

SEN. HARGROVE felt there was room for misinterpretation, but the bill would make it better than it is now. The millage language is still in the bill. He wondered if there would be some liability for the state if the value of a mill would double within a year.

SEN. CHRISTIAENS stated that his concern was if people's taxes go up quite a bit, for whatever reason, would they be very upset and go looking for a responsible party.

SEN. MILLER offered that when mills are determined, they are calculated on an estimated value.

SEN. BOHLINGER remarked that this calculation takes place at a specific point in time. The value of a mill can be estimated on that day. Of course, this is not a fixed amount and would more than likely change, up or down.

SEN. GRIMES had concerns similar to **SEN. CHRISTIAENS.** He believed that voter guides might be the way to go. He also did not like to make something mandatory on election districts.

SEN. BILL GLASER asked the committee to remember SB 184. Senate Bill 184 is going to exempt up to the $100,000 area over half of the value of that property. Therefore, one cannot say, "If I have a $100,000 home, it will cost me $10," and so on. The exemption comes off the bottom. House Bill 179 is going to mislead people. He suggested a small group go to the sponsor and see if something could be worked out.

SEN. KEN TOOLE wondered if SB 184 was the Homestead Exemption Act. **SEN. GLASER** explained that SB 184 created a phasing-in of homestead exemption. It gets higher and higher each particular period. In a couple of years, the tax on a $100,000 home would be figured on $50,000. On a $200,000 home, they would pay taxes on 3/4 of the value. To use the arbitrary figure of $100,000 is going to be quite misleading.

CHAIRMAN MAHLUM appointed a group to speak with **REP. DELL.** He appointed **SENATORS HARGROVE, GLASER AND CHRISTIAENS.**

No action was taken at this time.

HEARING ON HB 130

Sponsor: REP. BOB LAWSON, HD 80, WHITEFISH

Proponents: Darlene Staffeldt, Director, Statewide Library Resources, MT State Library
Erin McGowan, Montana Library Assoc.

Opponents: None

Opening Statement by Sponsor:

REP. BOB LAWSON, HD 80, WHITEFISH. House Bill 130 was brought about by the Library Law Revision Task Force which was appointed by the Library Commission and was composed of trustees, librarians and the legislature. He served with this group for the past two years. **SEN. ROYAL JOHNSON** also served with the group. The Task Force's purpose was to review library laws and to suggest improvements. In this bill, they have simplified,

MINUTES

MONTANA SENATE
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN DALE MAHLUM**, on March 6, 2001 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Chris Christiaens (D)
Sen. John Cobb (R)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Don Hargrove (R)
Sen. Ken Miller (R)
Sen. Emily Stonington (D)

Members Excused: Sen. Ken Toole (D)

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 257, 3/1/2001
HB 298, 3/1/2001

Executive Action: HB 179 BCAA
HB 298 BC
HB 257 TABLED

{Tape : 1; Side : A; Approx. Time Counter : 0}

the figures of $100,000 and $200,000 as well as allowing for other values of homes in the district to be used, if appropriate.

SEN. CHRISTIAENS felt that as a member of the subcommittee, it was important to show what an increase cost would be on two different values. People would not be misled with two different values being shown.

SEN. GRIMES said that would show people it is not necessarily proportional. He then asked was the issue of changing values on a mill address?

SEN. HARGROVE said that it had been pointed out to the subcommittee that it didn't make any difference. Whoever is going to be assigning those numbers is going to be addressing whatever the value happens to be in that area. If economic values go up or down, there will be changes. But to make the bill anymore complicated would be a mistake.

Vote: Motion that **HB 179 AMENDMENT BE ADOPTED carried 8-0.**

Motion/Vote: **SEN. COBB** moved that **HB 179 BE CONCURRED IN AS AMENDED. Motion carried 7-1 with Miller voting no.**

EXECUTIVE ACTION ON HB 298

Motion/Vote: **SEN. COBB** moved that **HB 298 BE CONCURRED IN. Motion carried 8-0.**

EXECUTIVE ACTION ON HB 257

SEN. CHRISTIAENS first asked who audits the county auditor. The county auditor is responsible for making sure the claims are within the policy standards. If the commissioners can overrule the auditor and the auditor's books are audited, who is held responsible for the claims that the auditor would not sign off on. **Gordon Morris, MACO,** responded that the audits are in the codes and they are audited every one to two years. A private audit can be contracted for or the Department of Commerce can be contracted.

{Tape : 2; Side : B; Approx. Time Counter : 0}